



U.S. ELECTION ASSISTANCE COMMISSION
1225 NEW YORK AVENUE, N.W., SUITE 1100
WASHINGTON, D.C. 20005

March 30, 2007

Kurt Browning
Secretary of State
R. A. Gray Building
500 S. Bronough Street, Room 316
Tallahassee, Florida 32399-0250

Dear Secretary Browning:

Attached is the final audit resolution report of the U.S. Election Assistance Commission (EAC) regarding the single audit of Help America Vote Act (HAVA) funds expended by the Florida Secretary of State's Office. The resolution is based upon the information provided by the audit conducted by the Auditor General of the State of Florida.

After careful consideration of all the facts presented, EAC has determined that the state must submit documentation that details the new state procedures to maintain an accurate and current list of voting systems in the state. The state must submit a timeline to the EAC indicating when the revised state plan will be submitted to EAC for publication in the *Federal Register*. The state must submit a copy of the new department policy indicating the requirement to sign salary certification statements.

If the state believes that anything in this final management decision is an adverse action and the state does not agree, the state shall have 30 days to appeal EAC's management decision. The appeal must be made in writing to the Chairman of the EAC. Within 30 days of receiving the appeal, the Commission may hold a hearing to consider the appeal, take evidence or testimony related to the appeal, and render a decision on the appeal, if appropriate at that time. The Commission will render a final and binding decision on the appeal no later than 60 days following the receipt of the appeal or the receipt of any requested additional information. If the state does not file an appeal, this decision will become final and binding at the expiration of the appeal period.

We appreciate your cooperation in this matter as we work together to ensure that HAVA funds are used in accordance with the law.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Wilkey", with a long, sweeping horizontal line extending to the right.

Thomas R. Wilkey
Executive Director



U.S. ELECTION ASSISTANCE COMMISSION
1225 New York Ave. NW – Suite 1100
Washington, DC 20005

Final Audit Resolution Report
Florida Single Audit – Assignment No. E-SA-FL-11-06
Issued March 30, 2007

Summary of Decision

The U.S. Election Assistance Commission (EAC or Commission) has determined that the state must submit documentation that details the new state procedures to maintain an accurate and current list of voting systems in the state. The state must submit a timeline to the EAC indicating when the revised state plan will be submitted to EAC for publication in the *Federal Register*. The state must submit a copy of the new department policy indicating the requirement to sign salary certification statements.

Background

The EAC is an independent, bipartisan agency created by Help of America Vote Act of 2002 (HAVA). It assists and guides state and local election administrators in improving the administration of elections for federal office. EAC provides assistance by dispersing federal funds to states to implement HAVA requirements, adopting the voluntary voting system guidelines, and serving as a national clearinghouse and resource of information regarding election administration. EAC is also responsible for the accreditation of testing laboratories and the certification, decertification, and recertification of voting systems.

In addition to EAC's role in distributing HAVA funds, the agency is responsible for monitoring the fiscally responsible use of HAVA funding by the states. The EAC seeks to ensure funds distributed under HAVA are being utilized for the purposes mandated by HAVA to ultimately improve the administration of federal elections. To fulfill this responsibility, the EAC conducts periodic fiscal audits of state HAVA fund expenditures and determines the any corrective actions necessary to resolve issues identified during audits. EAC is also responsible for resolving issues identified during state single audits conducted under the Single Audit Act. The EAC Office of Inspector General (OIG) has established a regular audit program in order to review the use of HAVA funds by states. The OIG's audit plan and audit findings can be found at www.eac.gov.

The Audit Follow-up Policy approved by the Commission authorizes the EAC Executive Director to issue the management decision for external audits and single audits. The Executive Director has delegated the evaluation of final audit reports provided by the OIG and single audit reports issued by the states to the EAC Programs and Services Division. The Division provides a recommended course of action to the Executive Director for resolving questioned costs, administrative deficiencies, and other issues identified during an audit. The EAC Executive

Director issues a Final Audit Resolution (management decision) that addresses the findings of the audit and details corrective measures to be taken by the state.

When an audit identifies questioned costs, the EAC considers not only whether the state followed proper procurement procedures, but also whether the expenditures actually served to further the goals of HAVA. EAC has identified three methods of resolution regarding questioned costs: 1) Expenditures that were identified as permissible under HAVA and federal cost principles, but did not follow appropriate procedures do not have to be repaid; 2) Expenditures that may have been permissible under HAVA but lacked adequate documentation must be repaid to the state election fund, which was created in accordance with HAVA section 254(b)(1); and 3) Expenditures that were clearly not permissible under HAVA or federal cost principles must be repaid to the U.S. Treasury. In addition to repayment of funds, the EAC may require future reporting by a state to ensure that proper internal controls and procedures have been established to prevent future problems.

States may appeal the EAC management decision. The EAC Commissioners serve as the appeal authority. A state has 30 days to appeal EAC's management decision. All appeals must be made in writing to the Chair of the Commission. The Commission will render a decision on the appeal no later than 60 days following receipt of the appeal or, in the case where additional information is needed and requested, 60 days from the date that the information is received from the state. The appeal decision is final and binding.

Audit History

The Auditor General of the State of Florida conducted an audit under the Single Audit Act that covered the use of HAVA funds provided to Florida. The single audit report (Assignment No. E-SA-FL-11-06) for the State of Florida identified six issues that require EAC resolution.

Audit Resolution

The following categories explain the results of the audit outlined in the final audit report and how the EAC reached its final audit resolution regarding the issues identified by the OIG.

State did not maintain a current list of certified voting systems used by counties

EAC agrees with the finding that the state did not maintain a current listing of voting systems certified and in use by the counties. The state is creating new procedures to update the state list of voting systems on a regular basis, updated the list of voting systems certified and in use by Florida counties, and made the list available on its website at <http://election.dos.state.fl.us>. Within 30 calendar days, the state must submit documentation that details the new state procedures to maintain an accurate and current list of voting systems in the state.

State incorrectly calculated Maintenance of Effort

EAC agrees with the findings that the state did not properly calculate the required maintenance of effort and did not maintain this level of expenditure for the 2004-2005 fiscal year. The state must update its HAVA state plan to account for the maintenance of effort. The state has indicated it has begun the process of updating the state plan. The

updated state plan must include how the state will spend the \$7,630 shortfall in maintenance of effort spending during the 2004-2005 fiscal year in the future. Within 30 calendar days, the state must submit a timeline to the EAC indicating when the revised state plan will be submitted to EAC for publication in the *Federal Register*.

Salaries were not properly supported

We agree with the findings that the state did not maintain appropriate records to document employee time spent on HAVA activities. EAC has requested that the OIG conduct a more in-depth review of these salary expenses to determine if costs allocated to salaries should be questioned in addition to the finding on lack of supporting documentation. In response to the findings on supporting documentation for salary costs, Florida has implemented new policies and procedures to appropriately track employee time spent on HAVA related activities. Within 30 calendar days, the state must submit a copy of the new department policy indicating the requirement to sign salary certification statements.

Payments for unused leave to terminated employees was charged as a direct cost

The state has repaid the state election fund for all unused leave payments made to terminated employees and charged as a direct cost to HAVA funds. The state has also requested the EAC to issue guidance on this issue to assist states in appropriately paying out unused leave to terminated employees working on HAVA programs. EAC will issue guidance on this matter during the 2007 federal fiscal year. No further action is required by the state on this matter at this time.

Proper supporting documentation for expenditures was not always maintained

EAC agrees with the finding that the state did not always properly support expenditures made with HAVA programs. The amount of expenditures that were not properly supported was not quantified during the single audit and no expenditures made with HAVA funded contracts were questioned. EAC will not make any determinations on potential repayment of unsupported costs until the OIG conducts a full audit of Florida's usage of HAVA funds through the regular OIG audit program. The state has detailed the new procedures it has put in place to ensure that all future payments made with HAVA funds have all the necessary supporting documentation prior to payment by the state. No further action is required by the state on this matter at this time.

State did not follow federal requirements for interagency agreements

EAC agrees with the finding that the state did not follow federal requirements for interagency agreements financed with HAVA funds. The state has detailed the new procedures it has put in place to ensure that all future interagency agreements made with HAVA funds meet all the necessary federal requirements and that appropriate monitoring is conducted by the state. No further action is required by the state on this matter at this time.

Final Management Decision

EAC has determined that the state must submit documentation that details the new state procedures to maintain an accurate and current list of voting systems in the state. The state must submit a timeline to the EAC indicating when the revised state plan will be submitted to EAC for publication in the *Federal Register*. The state must submit a copy of the new department policy indicating the requirement to sign salary certification statements. All additional information requested from the state must be submitted to the EAC within 30 calendar days.

Florida shall have 30 days to appeal EAC's management decision. The appeal must be made in writing to the Chairman of the EAC. Within 30 days of receiving the appeal, the Commission may hold a hearing to consider the appeal, take evidence or testimony related to the appeal, and render a decision on the appeal, if appropriate at that time. The Commission will render a final and binding decision on the appeal no later than 60 days following the receipt of the appeal or the receipt of any requested additional information. If the state does not file an appeal, this decision will become final and binding at the expiration of the appeal period.

Final Audit Resolution Report

Florida Single Audit – Assignment No. E-SA-FL-11-06

Attachment 1



U.S. ELECTION ASSISTANCE COMMISSION
OFFICE OF INSPECTOR GENERAL
1225 New York Ave. NW - Suite 1100
Washington, DC 20005

September 25, 2006

Memorandum

To: Thomas Wilkey
Executive Director

From: Curtis W. Crider
Inspector General

A handwritten signature in cursive script, reading "Curtis W. Crider".

Subject: Findings in the State of Florida Auditor General Audit of the Department of State Help America Vote Act and the Florida Registration System
(Assignment No. E-SA-FL-11-06)

The subject report (Attachment 1) contains several findings related to the Florida Department of State's (Department) administration of Help America Vote Act (HAVA) funds. The audit was performed by the Auditor General of the State of Florida, who is responsible for the report's findings.

The findings and recommendations are summarized below and presented in further detail in the attachment.

Finding 3: The Department did not maintain a current listing of voting systems certified and in use by the counties.

Recommendation: The Department should develop a current, reliable control listing; establish procedures to ensure that Supervisors of Elections submit all voting system information required by State law, and periodically confirm the accuracy of its listing with the Supervisor of Elections. Such confirmations should be made in connection with the Department's periodic reconciliation of its control listing to the voter systems information provided and on file at the Department.

Proposed Corrective Actions: The Department agreed that updated information was essential to determining whether the voting systems used by the counties met the requirements of the law. The Department indicated that it would institute a process to periodically confirm with the Supervisor of Elections that the information they have filed with the Department is accurate and that all information required by law is on file with the Department.

Finding 4: The Department incorrectly calculated the required Maintenance of Effort (MOE) and did not maintain the required level of expenditures for the 2004-2005 fiscal year.

Recommendation: The Department should update the HAVA Plan to reflect the revised MOE amount. The Department should ensure that the required MOE level is met each fiscal year.

Proposed Corrective Actions: The Department agreed to update the State of Florida HAVA plan to reflect the revised required MOE amounts. In addition, the Department indicated that it will continue to review state expenditures in future years to ensure that the MOE threshold is exceeded. The Department indicated that in future years, the level of state effort should exceed the required threshold, compensating for the \$7,630 MOE shortfall for the 2004-2005 fiscal year.

Finding 5: Salary certifications required for employees who worked solely on HAVA were not maintained. Activity reports were not always maintained to support personnel costs charged to the HAVA program.

Recommendation: The Department's procedures should ensure that required documentation supporting charges to the HAVA Program (including certifications and personnel activity report) is properly and timely prepared and maintained. For any costs improperly charged to the HAVA Program, appropriate corrections should be made.

Proposed Corrective Actions: The Department indicated that it has instituted a procedure for obtaining time certifications from employees in HAVA funded positions. The certifications will be obtained on a semi-annual basis. If the Department becomes aware that any employee has worked on activities not related to the HAVA program, the costs associated with those other activities will be reimbursed to the HAVA program.

Finding 6: Contrary to Federal cost principles, payments for unused leave to terminated employees was charged as a direct cost instead of being allocated as a general administrative expense to all activities of the governmental unit.

Recommendation: The Department, in compliance with Federal cost principles; allocate as a general administrative expense unused leave payments. In addition, any costs improperly charged to the HAVA Program should be corrected.

Proposed Corrective Actions: The Department indicated that it would seek guidance from the Elections Assistance Commission on the proper disposition of unused leave payments.

Finding 8: HAVA program, expenditures were not always properly supported.

Recommendation: The Department should ensure that required contractual terms are met and services are received prior to payment. In addition, the Department should only pay contractors in amounts agreed upon by specific contract or purchase order.

Proposed Corrective Actions: The Department indicated that the contract manager would review and certify that the requests for payment were properly supported and that contract requirements, milestones, and deliverables have been met prior to submitting the requests to Budget and Financial Services.

Finding 9: The Department did not always follow Federal requirements with regards to awards to other State agencies.

Recommendation: The Department should take steps to ensure that interagency agreements include all applicable Federal information and requirements and that appropriate monitoring is performed.

Proposed Corrective Actions: The Department indicated that it will ensure that interagency agreements with state agencies Utilizing HAVA funds include all of the information required by Federal standards. In addition, the Department would obtain the appropriate documentation to evidence expenditure of HAVA funds by the other State agencies.

Based on the findings, we recommend that the EAC ensure that the department completes its planned corrective actions. Please provide us with documentation of the action(s) taken to implement this recommendation by November 1, 2006. If you have any questions about this matter, please call me at (202) 566-3125.

cc: Chairman, U.S. Election Assistance
Commission

Attachment



AUDITOR GENERAL

WILLIAM O. MONROE, CPA



DEPARTMENT OF STATE HELP AMERICA VOTE ACT (HAVA) AND THE FLORIDA VOTER REGISTRATION SYSTEM (FVRS) Operational Audit

SUMMARY

This operational audit focused on the Department of State's administration of the Federal Help America Vote Act of 2002 (HAVA) during the period July 1, 2004, through February 28, 2006, and selected actions taken through May 23, 2006. In addition, we evaluated the effectiveness of selected controls related to the Florida Voter Registration System, implemented to satisfy specific requirements of the Act for a computerized Statewide voter registration list. Through June 30, 2005, the Department has been awarded \$160 million in HAVA funding on behalf of Florida.

HELP AMERICA VOTE ACT

Finding No. 1: The Department did not have a procedure in place to evidence for the public record that voting systems being certified had met the requirements of Florida law.

Finding No. 2: The Department's established procedures did not prohibit the Secretary of State and any examiners from having a pecuniary (financial) interest in the examination of and approval of voting equipment.

Finding No. 3: The Department did not maintain a current, reliable control listing of voting systems certified and in use by the counties. In addition, the Department did not have a procedure in place to ensure that voting system information was on file with the Department.

Finding No. 4: The Department incorrectly calculated the required maintenance of effort that

was included in the State of Florida HAVA Plan and also did not maintain the required level of expenditures for the 2004-05 fiscal year.

Finding No. 5: Salary certifications required for employees who worked solely on the HAVA Program were not maintained. Also, personnel activity reports were not always maintained to support personnel costs charged to the HAVA Program.

Finding No. 6: Contrary to Federal cost principles, payment for unused leave to a terminating employee was charged as a direct cost to the Program instead of being allocated as a general administrative expense to all activities of the governmental unit.

Finding No. 7: Controls to ensure that voter education programs were in compliance with Florida law and Department rule were insufficient.

Finding No. 8: HAVA Program expenditures were not always properly supported.

Finding No. 9: The Department did not always follow Federal requirements with regards to awards to other State agencies.

FLORIDA VOTER REGISTRATION SYSTEM (FVRS)

Finding No. 10: Improvements were needed in the Department's Information Technology (IT) risk management practices.

Finding No. 11: The Department had not adopted a governance model addressing the management, use, and operation of FVRS commensurate with its authority and

responsibility to ensure the system's security, uniformity, and integrity.

Finding No. 12: Although the Department had put measures in place to help ensure the integrity of data in FVRS, improvements were needed in the processes for identifying duplicate registrations and ineligible voters.

BACKGROUND

With the passage and signing of the Help America Vote Act (HAVA) on October 29, 2002, election reform began throughout our nation. HAVA contains numerous requirements that every state must meet to improve election administration in many areas. The requirements, most of which were to take effect between January 1, 2004, and January 1, 2006, include replacing punch card and lever-operated voting machines, allowing voters to verify their votes before casting their ballots, providing voters with provisional ballots, providing access for voters with disabilities, and creating a Statewide voter registration list.

HAVA created the Election Assistance Commission (EAC) as an independent commission to administer the provisions of the Act. Specifically, HAVA charges the EAC with administering payments to states and developing guidance to meet HAVA requirements, implementing election administration improvements, adopting voluntary voting system guidelines, and developing a national certification program for voting systems. The EAC also serves as a national clearinghouse and resource of information regarding election administration.

Funding comes from four different HAVA programs. As shown on Appendix A, through June 30, 2005, the Department had been awarded \$160,207,602 in HAVA funding on behalf of Florida relating to Titles I and II. For each of the four programs, HAVA limits the use of funds to particular purposes as follows:

- Title I, Section 101 funding is available to improve the overall administration of elections, including the training of voters and election officials.
- Title I, Section 102 funding (fully expended as of July 2003) provides funding for the replacement of punch card and lever-operated voting machines.

- Title II, Section 251 funding allows states to meet uniform minimum voting system standards; provide a provisional voting mechanism, as well as minimal voter information requirements; and maintain a single computerized statewide voter registration list. However, states, once meeting these requirements, can use the funds to improve the administration of Federal elections.
- Title II, Section 261 funding supports efforts undertaken to make polling locations accessible for individuals with disabilities.

Appendix B shows for each of the four programs the funds received, amounts spent or obligated, and the available balances.

In response to audit inquiry, the Department provided us with a document titled *Funds Revenue and Usage Life of HAVA Grant* that projects HAVA funds being fully depleted sometime during the 2019-20 fiscal year. For the majority of the awarded funds, there is no deadline by which the Department must expend the funds received. However, included in the award total is \$1.676 million in Title II, Section 261 funds that are available for drawdown from the Federal Government as expended. These funds must be expended within five years of the original award year.

HAVA requires all states to develop and implement a Statewide plan that includes 13 primary elements. The State of Florida HAVA Plan incorporated these 13 primary elements, and Appendix C contains a listing of the elements. Florida enacted legislative and local reforms to ensure that the elements are consistent with and clearly outlined in Florida Statutes, *Florida System Voting Standards (Standards)*, rules, and regulations.

The administration of elections in Florida occurs at the State and local levels. The Secretary of State is the Chief Election Officer under Florida law.¹ As Chief Election Officer, the Secretary of State is responsible for the coordination of the State's responsibilities under HAVA.

¹ Section 97.012, Florida Statutes.

FINDINGS AND RECOMMENDATIONS

Help America Vote Act (HAVA)

Finding No. 1: Voting System Certification Checklist

In accordance with Florida law,² the Department is to examine all makes of electronic or electromechanical voting systems submitted to it by any person owning (such as vendors) or interested in an electronic or electromechanical voting system (such as boards of county commissioners of any county seeking approval of a given system) and determine whether such systems comply with the voting systems requirements provided in Section 101.5606, Florida Statutes. Additionally, the Department has developed *Standards* that provide information and guidance on the State's requirements and evaluation methods for voting system certification. Upon determining that the voting system complies with such requirements, the Department issues a certificate.

Our audit disclosed that the Department had implemented voter system certification procedures that incorporated the requirements included in Section 101.5606, Florida Statutes. However, we noted that a procedure was not in place to evidence for the public record that the voting systems being certified had met the requirements of Florida law. Therefore, a determination could not be made by us as to whether the requirements of Florida law had been met with regard to voter system certifications.

Department personnel indicated during our field work that a document titled *Florida Voting Systems Certification Checklist & Test Record (Checklist)* had been drafted that would provide a mechanism to document the Department's processes performed relating to Section 101.5606, Florida Statutes. However, this *Checklist* was not in use during the audit period and no other document was available for such purposes.

Recommendation: We recommend that the Department finalize the *Checklist* and utilize it to document for the public record that its voting system certification procedures meet the requirements of Florida law.

Finding No. 2: Pecuniary Interests

Florida law³ states that neither the Secretary of State nor any examiner shall have any pecuniary (financial) interest in the examination and approval of voting equipment.

In response to audit inquiry as to Department procedures to ensure compliance with the above-noted Florida law, Department staff referred us to the section of the *Department of State Employee Handbook (Handbook)* titled "Relationships with Regulated Entities." This section of the *Handbook* requires employees to disclose in writing to the Secretary of State or his/her designee of a financial interest in a regulated entity. While the *Handbook* provision may provide some assurance of the disclosure of pecuniary interests should they exist, a procedure requiring an affirmation as to the absence of pecuniary interests may be more effective and responsive to the significant loss of credibility that would result should the existence of a conflict of interest go undisclosed.

Recommendation: We recommend that the Department establish procedures requiring the periodic affirmation of the absence of pecuniary and other conflicts of interests.

Finding No. 3: Certified Voting Systems

Florida election laws require the Department, among other duties, to:

- Examine and approve voting systems through a public process to ensure that the voting systems meet the standards outlined in Section 101.5606, Florida Statutes, and similar standards outlined in HAVA requirements under Section 301 of Title III. (Section 101.5605, Florida Statutes.)

² Sections 101.5605(1) and (2), Florida Statutes.

³ Section 101.5605(2)(c), Florida Statutes.

- Maintain voting system information including copies of the program codes, user and operator manuals, software, and any other information, specifications, or documentation relating to an approved electronic or electromechanical voting system and its equipment. (Section 101.5607, Florida Statutes.)

The Department is also responsible for demonstrating compliance with Federal laws, regulations, and contracts governing the use of HAVA funds.

To allow for a ready demonstration of record that all voting systems meet the requirements of State laws and HAVA requirements, the Department should have in place a current inventory of the voting systems in place in each county. To ensure the accuracy and completeness of voting system records and files, this inventory should then be compared periodically to the voting system information maintained on file pursuant to State law.⁴ Our audit tests disclosed that such procedures were not in place. Specifically:

- The Department did not maintain a current, reliable control listing of specific certified voting systems and system configurations implemented in each county. In response to our request for an official control listing of voting systems currently in use by all 67 counties, the Bureau Chief of Voting Systems Certification referred us to a Web site maintained by the Department that provides a link to information about specific certified voting systems and the system configurations being implemented by each county and stated, "The web site is updated as we receive 'system acquisition' reports from the counties. There may be a lag between the time a county acquires its system and the time we receive such a report. In some cases, a county may forget to notify us. In addition, I don't think there is any such 'official' listing." Our review of the Web site and other listings provided by the Department disclosed several instances in which the voting systems shown were not HAVA compliant.

Absent a current, reliable control listing of specific certified voting systems and system configurations implemented in each county, the Department cannot be assured and demonstrate that voting systems in use by the counties meet the standards outlined in Section 101.5606, Florida Statutes, and similar standards outlined in HAVA requirements.

- The Department did not have a procedure in place to ensure that copies of program codes, user and operator manuals, software, and any other information, specifications, or documentation related to an approved electronic or electromechanical voting system and its equipment were on file with the Bureau of Voting Systems Certification. Section 101.5607(1)(a), Florida Statutes, requires that this information be filed with the Department by the Supervisor of Elections at the time of purchase or implementation. An appropriate procedure would include a periodic comparison of the control listing referenced in the preceding bullet to the voting system information on file at the Department.

During the audit period, funds were provided to counties for the purpose of purchasing accessible voting systems as required by Title III, Section 301, HAVA. We selected disbursements made to four counties and requested documentation from the Department demonstrating compliance with Section 101.5607(1)(a), Florida Statutes. Specifically, we examined Department records to determine if such information for the counties was on file. Our examination disclosed that voting system information was not available for one county; incomplete voting system information was available for another county; and, although some voting system information was on file for a third county, the information on file did not appear to reflect the purchase of the accessible voting system.

In response to audit inquiry, we were informed that the Department requests this information from the counties when the Department becomes aware that a county has purchased new equipment and that the Department currently has no procedures in place for routinely requesting such information periodically from each of the counties.

State law⁵ requires the Department to maintain voting system information and provides that any such information or materials that are not on file with and approved by the Department, including any updated or modified materials, may not be used in an election. This is especially important because voting systems are upgraded, modified, and changed both before and after delivery to the counties, and the Department has a responsibility to maintain current and accurate voting system information for each county.

⁴ Section 101.5607, Florida Statutes.

⁵ Section 101.5607(1)(a), Florida Statutes.

Details of the exceptions noted in the bullets above were provided by us to the Department for immediate resolution.

Recommendation: We recommend that the Department develop a current, reliable control listing; establish procedures to ensure that Supervisors of Elections submit all voting system information required by State law;⁶ and periodically confirm the accuracy of its listing with the Supervisors of Elections. Such confirmations should be made in connection with the Department's periodic reconciliation of its control listing to the voting systems information provided and on file at the Department.

Finding No. 4: Maintenance of Effort

For activities funded by HAVA, the Department is to maintain the expenditures of the State at a level that is not less than the level of such expenditures maintained by the State for the fiscal year ended June 30, 2000. The State of Florida HAVA Plan stated that, in determining Florida's maintenance of effort (MOE) expenditures, the Division of Elections' calculation included 1999-00 fiscal year expenditures for salaries and benefits, operating capital outlay, and voter fraud programs for the Division of Elections' Director's Office and the portion of the Bureau of Election Records' expenditures pertaining to election administration. The amount calculated and reported in the State of Florida HAVA Plan for the 1999-00 MOE totaled \$3,082,224.

Our tests of the data supporting the Department's MOE calculation disclosed that the Department failed to use the final expenditure data reported in the State's accounting system (Florida Accounting Information Resource Subsystem). The amounts used were those recorded as of June 28, 2000. Our tests also disclosed that the Department's calculation included, in some instances, budgeted rather than actual salary expenditures.

The final expenditure data as of June 30, 2000, as shown by the State's accounting system totaled \$3,570,408 (or \$488,184 more than the MOE

expenditure amount reported in the HAVA Plan). In addition, our tests disclosed that the Department MOE for the 2004-05 fiscal year totaled \$3,562,778, resulting in the Department failing to meet the required MOE of \$3,570,408 by \$7,630.

Recommendation: The Department should update the State of Florida HAVA Plan to reflect the revised required MOE amount and ensure that the required MOE level is met each fiscal year in accordance with HAVA requirements.

Finding No. 5: Salary Certifications and Activity Reports

Federal cost principles⁷ require that charges for salaries for employees who are expected to work solely on a single Federal award or cost objective be supported by periodic certifications that indicate that the employee worked solely on that program for the period covered by the certification. These certifications are to be prepared at least semiannually and signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee. These principles also require that charges for salaries of employees who work on multiple activities or cost objectives should be distributed and supported by personnel activity reports or equivalent documentation.

In response to audit inquiry, the Department provided us with a listing of employees who worked solely on the HAVA Program during the period July 1, 2004, through February 28, 2006. We then requested certifications for each of the employees identified by the Department. We also selected nine employees who the Department represented to us had worked solely on the HAVA Program to verify that they had not worked on any other activity. These audit procedures disclosed the following deficiencies:

- Certifications were not always prepared in compliance with Federal cost principles. Specifically, certifications were not prepared for 12 employees who worked solely on the HAVA Program during the period July 1, 2004, through June 30, 2005. The salaries and benefits for these

⁶ Section 101.5607(1)(a), Florida Statutes.

⁷ Office of Management and Budget Circular No. A-87.

12 employees totaled \$524,787.63. Additionally, for 25 of the 27 employees who worked solely on the HAVA Program during the period July 1, 2005, through December 31, 2005, certifications were not obtained until April 2006. For 2 of the 27 employees, no certifications were on file. In response to audit inquiry, Department staff provided one certification that was signed on May 12, 2006, by an employee's supervisor attesting that the employee had worked solely on the HAVA Program. The employee had resigned on October 31, 2005. For the other instance, the Department stated that the employee worked on non-HAVA related activities and, since there are no time reports documenting the employee's work activities, the Department estimated that approximately 10 percent of the employee's time during the July 2005 through January 2006 period was related to non-HAVA related activities and that the Department was currently preparing correcting entries to reimburse the HAVA Program for the improper costs.

- For another employee working on multiple activities, charges were not supported by personnel activity reports, contrary to Federal cost principles. The employee, even though he had completed a certification that he worked solely on the HAVA Program, indicated to us that only approximately 75 percent of the time worked was related to the HAVA Program. However, the employee's personnel activity report did not identify the specific program areas worked on and, as a result, salary and benefits totaling approximately \$3,600 monthly were charged to the HAVA Program.

Without adequate procedures and supporting documentation, the Department cannot ensure that Federal funds have been expended only for authorized purposes.

In response to audit inquiry, Department staff stated, "After the Department of State became aware of the requirement for individuals filling HAVA-funded positions to complete certifications regarding work performed, a form was developed that could be customized for each employee. The certifications will be prepared on a semi-annual basis to coincide with the first and last six months of the state fiscal year. The first work certification forms cover the period from July 2005 through December 2005." The Department further indicated that it was in the process

of developing written procedures to address the certification requirements.

Recommendation: We recommend that the Department's procedures ensure that required documentation supporting charges to the HAVA Program (including certifications and personnel activity reports) is properly and timely prepared and maintained. For any costs improperly charged to the HAVA Program, appropriate corrections should be made.

Finding No. 6: Unused Leave Payments

Federal cost principles⁸ provide that payments to terminating employees for unused leave are allowable in the year of payment provided the payments are allocated as a general administrative expense to all activities of the governmental unit or component.

Our tests of salary expenditures disclosed that the Department did not allocate as a general administrative expense an unused leave payment, contrary to Federal cost principles. An employee terminated employment on October 31, 2005, and was paid \$22,274 for 470 hours of unused annual leave. The entire amount was paid from HAVA funds.

In response to audit inquiry, Department staff indicated that this payment was made in compliance with Department of Management Services Rule 60L-34.0041(6)(b), Florida Administrative Code. The Rule provides that a senior management service or selected exempt service employee who separates from State government shall be paid for unused annual leave up to a maximum of 480 hours. Department staff further indicated that Federal cost principles supported this unused leave payment. We disagree, as discussed above, because Federal cost principles require that such payments be allocated as a general administrative expense to all activities of the governmental unit or component.

⁸ Office of Management and Budget Circular No. A-87.

Recommendation: We recommend that the Department, in compliance with Federal cost principles, allocate as a general administrative expense unused leave payments. We also recommend that, for any costs improperly charged to the HAVA Program, appropriate corrections be made.

Finding No. 7: Voter Education

To receive Federal funds under HAVA,⁹ the Department is required to describe how the State will provide for voter education. Under Florida law,¹⁰ the Legislature appropriated \$3,000,000 from HAVA funds in each of the 2004-05 and 2005-06 fiscal years to the Department to be distributed to county Supervisors of Elections for voter education. To receive funds from these appropriations, Supervisors of Elections were required to submit to the Department a detailed description of the voter education program (Plan). Additionally, counties were required to certify to the Department that the county would provide matching funds for voter education in the amount equal to 15 percent of the amount received from the State.

We examined payments made to three counties from funds provided under Florida law.¹¹ We noted that each of the counties had entered into a *Memorandum of Agreement for Receipt and Use of Voter Education Funds (Agreement)*. This *Agreement* required Supervisors of Elections to annually submit a report to the Department detailing the actual expenditures made under the Plan.

Our audit disclosed:

- The Plan for one county failed to include four of the five voter education elements contained in the Standards for Nonpartisan Voter Education (Department rule).¹² The Plan failed to address a high school voter registration/education program; a college voter registration/education program; voter registration workshops; and the conduct of

demonstrations of county voting equipment. Voter education funds received by the county totaled \$27,127. Absent the voting education activities described above, the Department has no assurance that State law and HAVA requirements will be met.

- The activities, as reported in the expenditure report for another county, included \$109,021 for banner and billboard advertisements. This type of activity was not included in the county's Plan submitted to the Department. However, if included in the Plan, these expenditures would have been allowable. Subsequent to audit inquiry, Department staff stated that it appears that some counties had utilized voter education funds for activities that were not included in their Plans and that changes would be made to Department procedures to compare county-planned activities with actual voter education activities.
- The expenditure report for one county failed to delineate, as required by the standard reporting form, the State and county funds expended. Therefore, the Department could not determine from a review of the report if appropriate matching funds for voter education had been expended by the county. The county received State funds totaling \$180,910 and certified matching funds totaling \$27,136. Subsequent to audit inquiry, Department staff stated they will include language in the *Agreements* requiring a separate accounting for expenditures made with State and county funds.

In the instances noted above, the Department failed to ensure that the required Plans and expenditure reports submitted by the Supervisors of Elections were in compliance with Department rules and *Agreements*. This failure by the Department could result in noncompliance with Florida law and rules and HAVA requirements. (See Appendix C, Element 3.)

Recommendation: We recommend that the Department ensure that all Plans are in compliance with Department rules and *Agreements* and that voter education expenditures correspond with detailed descriptions in the Plans. In addition, we recommend the Department ensure that the matching expenditures are reported separately on the expenditure report.

⁹ Section 254a3, HAVA.

¹⁰ Chapters 2004-268 and 2005-70, Laws of Florida.

¹¹ Chapters 2004-268 and 2005-70, Laws of Florida.

¹² Department of State Rule 1S-2.033, Florida Administrative Code.

Finding No. 8: Program Expenditures

Federal cost principles¹³ require appropriate documentation of expenditures. Absent such documentation, expenditures are not allowable for payment by Federal award. The Division of Elections is responsible for tracking and monitoring the use of HAVA funds in accordance with established State procedures, and the Director of the Division of Elections has final signature authority for HAVA expenditures. Our audit included examining Department records related to 19 HAVA expenditures totaling approximately \$8.9 million, excluding salary expenditures. We noted:

- A \$3,333.33 monthly payment was not supported by evidence showing that the required work had been completed. This payment was made pursuant to a contract for consulting services related to assisting the 67 counties in developing and implementing plans mandated by HAVA for the accessibility of polling places and voting equipment for persons with disabilities. The agreement, providing for payments totaling \$50,000, specified that a progress report was to be provided with the invoice. Subsequent to audit inquiry, Department staff stated that, rather than progress reports, the vendor was submitting weekly activity reports to the Assistant Secretary of State and the Director of the Division of Elections. Our review of the activity reports subsequently provided by the Department disclosed one activity report had been requested, after audit inquiry, on May 16, 2006, and another one was received after the invoice was paid. In addition, there was no evidence that the Department had reviewed the activity reports prior to making the payment. Also, the listed activity (traveling to Washington, D.C., to meet with congressional representatives) for one weekly activity report (week beginning November 2, 2004) did not appear to relate to the activities set out in the contract.

The process of receiving weekly activity reports from the contractor did not comply with the contract terms and did not allow for a proper preaudit as such documentation apparently was not forwarded to appropriate staff responsible for processing payments to the contractor.

- A \$39,645.48 payment to a contractor was not properly supported by evidence showing that the invoiced items were received. The payment related to uniform voter registration application forms that were to be provided to various cities. Documentation supporting the payment did not evidence that the forms ordered were shipped to and received in the proper quantities or types by the various cities listed on the vendor invoice. Such documentation may include, for example, notes on Department confirmation with the cities that the forms had been received. In addition, we noted that the combined payments to this contractor exceeded the purchase order total of \$75,750 by \$1,253. Department staff indicated that an appropriate change order had not been prepared.

For the instances described above, absent documentation to support the expenditures, the Department cannot demonstrate that, at the time of payment, the services or activities had been delivered or received and that the expenditures were allowable for payment by Federal award.

Recommendation: We recommend that the Department ensure that required contractual terms are met and services are received prior to payment. In addition, we recommend that the Department only pay contractors in amounts agreed upon by specific contract or purchase order.

Finding No. 9: Interagency Agreements

According to HAVA,¹⁴ each state is to implement a computerized statewide voter registration list containing the name and registration of every legally registered voter in the state. The Department was awarded Federal funds on behalf of the State of Florida to meet the HAVA requirements.

Chapter 2003-397, Laws of Florida, appropriated the Department a lump sum totaling \$2,114,814 to implement HAVA and also provided that both the Florida Department of Law Enforcement (FDLE) and the Florida Department of Highway Safety and Motor Vehicles (DHSMV) each would receive two full-time equivalent positions and \$145,830 to assist in the development of the Statewide voter registration list.

¹³ Office of Management and Budget Circular No. A-87.

¹⁴ Section 303, HAVA.

The Department was required to enter into interagency agreements with both of these agencies prior to the release of the funds.

As the Department is using HAVA funds to develop the Statewide voter registration system, the Department should ensure that the interagency agreement includes all the specific Federal information associated with the HAVA program. Our review of one of the interagency agreements (FDLE) disclosed that the agreement did not provide all of the specific information related to the HAVA program. Specifically, we noted that the agreement did not include the:

- CFDA title and number.
- Name of the Federal agency.
- Requirements of Federal laws and regulations.
- Requirement of access to records by the Department and its auditors.

In addition, our examination of the \$145,830 interagency payment to FDLE disclosed that the Department failed to obtain evidence that the agency used the \$145,830 for only HAVA activities. Such evidence should include applicable salary records evidencing payroll amounts and salary certifications or activity reports.

Subsequent to audit inquiry, the Department requested and received salary certifications from FDLE evidencing that the employees assigned to the positions worked solely on the HAVA activities. However, no documentation was provided to evidence that the \$145,830 was actually expended for salary and benefit costs.

When the Department fails to monitor and include in interagency agreements specific Federal information associated with the HAVA program, assurance is reduced that Federal funds will be expended for allowable activities and accounted for in accordance with Federal cost principles and, if applicable, subject to audit in compliance with the applicable Federal requirements.

Recommendation: We recommend that the Department take the necessary steps to ensure that the interagency agreements include all applicable Federal information and requirements and that appropriate monitoring is performed.

FLORIDA VOTER REGISTRATION SYSTEM (FVRS)

The Department began developing FVRS in 2003 to comply with HAVA requirements. The State received a waiver from the EAC, permitted under HAVA provisions, and was granted an extension from January 1, 2004, until January 1, 2006, to implement FVRS. Pivotal to the design of FVRS was the retention of county voter registration systems. Each of the 67 counties was to remediate its registration systems to accommodate the FVRS interface and operating specifications. FVRS communicated with county voter registration systems using a service-oriented architecture that supported establishing communication and information exchange by providing a platform for receiving requests and generating response messages that were processed by county voter registration systems.

In accordance with Florida law,¹⁵ each Supervisor of Elections maintained responsibility for updating voter registration information, entering new voter registrations into the Statewide voter registration system, and acting as the official custodian of documents received by the Supervisor of Elections related to the registration and changes in voter registration status of electors of the Supervisor of Elections county. While the Department was responsible for the overall security and integrity of FVRS, each Supervisor of Elections was responsible for ensuring that all voter registration and list maintenance procedures conducted were in compliance with any applicable requirements prescribed by rules of the Department through the Statewide voter registration system or prescribed by the Voting Rights Act of 1965, the National Voter Registration Act of 1993, or HAVA.

¹⁵ Section 98.015, Florida Statutes.

Finding No. 10: Information Technology Risk Management

An effective risk management process is an important component of a successful information technology (IT) security program. Risk management is the process of identifying vulnerabilities and threats to IT resources used by an organization in achieving business objectives and deciding what measures, if any, to take in reducing risk to an acceptable level. Risk assessment is a tool that can provide information for the design and implementation of internal controls and in the monitoring and evaluation of those controls. Risk analysis forms the basis for developing effective security practices that include periodic reviews of user access rights and comparison of resources with recorded accountability to reduce the risk of errors, misuse, or unauthorized alteration.

During the audit, we noted certain deficiencies in the Department's IT risk management practices as follows:

- The Department had not completed a formal risk assessment for FVRS. In October 2005, the Department contracted with Integrated Computer Systems, Inc. (ICS), to perform an information security assessment on its network infrastructure and major applications in place at the time of the assessment. This assessment was completed before FVRS was fully implemented. In February 2006, the Department contracted with ICS to perform a complete assessment of FVRS. This assessment commenced in April 2006 and is scheduled for completion in June 2006.
- Authorizations for access to Department resources had not been properly documented for all FVRS users and access capabilities were not timely revoked or modified as necessary for individuals who had terminated employment. In addition, the Department did not have a formal process in place for the periodic monitoring of actual access capabilities through comparison to the authorizations. Good access controls include instituting policies and procedures for authorizing access to information resources, documenting such authorizations, and then periodically monitoring actual access capabilities through comparison to the authorizations. Department

policy¹⁶ required that, immediately upon initial employment, reassignment, or termination, the designated division manager inform the Service Request Desk at the Central Computing Facility (CCF) via the Control Access form. Of 21 authorizations tested, we noted 19 instances where proper access documentation was not maintained. In addition, we noted two users with improper access capabilities to Department network resources. One user was added in error and the other had not had access capabilities properly revoked upon the completion of a contracted engagement. In response to audit inquiry, the Department indicated that access capabilities for these individuals had since been revoked.

When access capabilities are not limited to what is authorized and approved by management, the risk is increased of inappropriate use of information resources. In addition, without formal procedures for the periodic monitoring of actual access capabilities against what is authorized, the risk is increased that unauthorized access will not be identified and corrected in a timely manner.

Recommendation: Upon completion of the FVRS risk assessment, the Department should implement policies and procedures to mitigate identified risks, including ensuring that all access to Department systems is documented in a uniform manner according to policy, maintained in a central location, and periodically reviewed.

Finding No. 11: IT Governance Model

An IT governance model contributes to the reliability and integrity of an application system and data processed therein and includes developing and maintaining procedures to ensure the proper use of the application and technological solutions put in place and proper data management. A consistent managed approach to securing all system environment components increases assurance that due diligence is exercised by all individuals involved in the management, use, maintenance, and operation of information systems.

¹⁶ Information Technology Operating Procedure Number IT001, Logical Access Control.

According to HAVA,¹⁷ adequate technological security measures shall be provided to prevent unauthorized access to the computerized voter registration list. Florida law¹⁸ further directs the system to provide secured access for authorized voter registration officials and states that the Department may adopt rules governing the access, use, and operation of the Statewide voter registration system to ensure security, uniformity, and integrity of the system.

According to FVRS design, counties are to retain the greatest level of autonomy over county registration assets while still meeting the overall security objectives of FVRS, and the Department is responsible for the overall security and integrity of FVRS. Multiple entities are, therefore, working towards the common business purpose FVRS is to serve. Our audit focused on the important requirement of ensuring FVRS has adequate security structures and solutions in place for conducting business. We noted certain control deficiencies as follows:

- Aligning systems security with a business strategy requires centralized direction. A security program establishes a common framework and principles for assessing risk, developing and implementing consistent security procedures, and monitoring the effectiveness of those procedures. The Department, in conjunction with the county Supervisors of Elections' offices, had not developed a formal security program for FVRS. Prior to the implementation of FVRS, the Department prepared a FVRS Security Approach Plan which was intended to later serve as a roadmap for developing a comprehensive FVRS System Security Plan (SSP) that would include all applicable system security policies and procedures. In response to audit inquiry, Department staff indicated that the SSP continued to be in development.

The *Guide to FVRS (Guide)* was developed by the Department and distributed to the Supervisors of Elections as a precursor to the implementation of FVRS. The *Guide* states that the counties are responsible for security, including securing the physical location of equipment hosting the application or communications devices related to the local county system and securing network systems providing access to the local voter registration system. However, the Department had not developed formal written directives or guidance to ensure a consistent approach and enforcement across all environments in such matters as configuration management, virus protection, system software maintenance and updates, and patch management.

- Consistent user security mandates also require aligning system security with the business objective. Each county was responsible for designating a System Security Administrator (SSA) to assign and manage user access to the local county voter registration system along with network resources, as well as to FVRS. Guidelines to promote consistent, effective policies and procedures related to information resource classification and control, access authorization and review, distribution of user roles, logical access controls, and user security awareness training had not been developed by the Department. Additionally, while the *Guide* stated that training in user/identity management will be required of State and county SSAs, the Department had not yet conducted a formal training program.
- The Department was in the process of, but had not completed, the integration of FVRS system planning into its overall IT disaster recovery plan. In addition, although the Department indicated that disaster recovery plans had been requested from each county, there was no formal, written process in place for receiving and evaluating those plans to ensure their adequacy in recovering timely from a disruption to operations. As HAVA¹⁹ requires all voter registration information obtained by any local election official in the State to be electronically entered into the computerized voter registration list on an expedited basis at the time the information is provided to the local official, absent or inadequate procedures to resume operations in a timely manner may cause delays in updating FVRS, thereby jeopardizing the accuracy and completeness of registration data.

¹⁷ Section 303(a)(3), HAVA.

¹⁸ Sections 98.035(2) and 98.035(5), Florida Statutes.

¹⁹ Section 303 (a)(1)(A)(vi), HAVA.

- Proper security administration ensures that violation and security activity is logged, reported, reviewed, and appropriately escalated on a regular basis to identify and resolve incidents involving unauthorized activity. The design of FVRS included the capability to log unauthorized attempts to penetrate the system and unauthorized procedures by authorized users. As of the completion of our audit field work, the Department had not devised a formal process for review and retention of these logs. However, in response to audit inquiries, Department staff indicated their intent to establish a process for monitoring the logs in near real time.
- The Department had not designated any individual positions in connection with FVRS or the Division of Elections as positions of special trust. Florida law²⁰ states that agencies shall designate positions that, because of the special trust or responsibility or sensitive location of those positions, require that persons occupying those positions be subject to a security background check, including fingerprinting, as a condition of employment. Further, it requires that persons of such positions undergo background investigations using level two screening standards, which include fingerprinting used for checks against statewide criminal and juvenile records through the Florida Department of Law Enforcement (FDLE) as well as checks for Federal criminal records through the Federal Bureau of Investigation. In fulfillment of their assigned responsibilities related to verification of voter registration records and determination of reliability and credibility of matching information, Bureau of Voter Registration Services' (BVRS) employees who have signed the Department-required Standards of Conduct Statements, had access to statutorily designated²¹ confidential and publicly exempted information, records, and data including social security numbers, driver's license numbers, Florida identification (ID) numbers, and voter signatures. In addition, the BVRS Bureau Chief and backup delegate had access to records of individuals registered to vote as protected persons, whose personal information including home address and telephone number were exempt from disclosure by Florida law.²² The Department had not designated BVRS employees as being in positions of special trust. Therefore, level two screenings

had not been performed. The Department did conduct level one background screenings, that include employment history checks as well as Statewide criminal correspondence checks through FDLE on all new employees. Without adequate background checks, including fingerprinting, the risk is increased that a person could inappropriately be employed in a position of special trust.

Security controls and procedures that vary in placement and degree among the Department and the counties may not provide for the achievement of a sustainable capability for proactive mitigation of security risks or incidents. Without a common foundation for applying management and security procedures for IT resources and data, security controls necessary to adequately protect information systems that support the operations, mission, and legal responsibility of FVRS may fail to be identified and consistently applied.

Recommendation: The Department should, in coordination with the county Supervisors of Elections, adopt a governance model that includes security measures in support of, and for the protection of, the FVRS business purpose and the confidentiality, availability, and integrity of data contained therein. Specifically, written procedures should be established to address those areas noted above with consistent application to ensure the system's security, uniformity, and integrity.

Finding No. 12: FVRS Data Integrity

The Department's HAVA Plan specifies that the effective and efficient administration of elections depends on the completeness and accuracy of voter registration lists. Florida law²³ provides that the Department shall protect the integrity of the electoral process by ensuring the maintenance of accurate and current voter registration records. In the pursuit of this goal, the Department is directed by law to identify voters who are deceased, registered more than once, convicted of a felony and whose voting rights have not been restored, or adjudicated mentally incompetent and whose voting rights have not been

²⁰ Section 110.1127, Florida Statutes.

²¹ Sections 97.0585 (1)(c) and 97.0585 (2), Florida Statutes.

²² Section 119.071(4)(2)(d), Florida Statutes.

²³ Section 98.075, Florida Statutes.

restored. For those voters who have been identified as potentially ineligible due to felony conviction or adjudication of mental incompetence, the Department is directed to determine if such information is credible and reliable. Upon determination of the reliability and credibility of the information, the Department is required to forward such information to the appropriate Supervisor of Elections for final determination of voter ineligibility and removal from the voter system.

During the audit, we noted the following deficiencies in this process:

- Some circumstances were noted that may increase the possibility of duplicate registrations in FVRS. During the implementation of FVRS, the voter records used to populate the FVRS database were provided by individual county Supervisor of Elections offices from their voter registration systems. Counties were responsible for managing their duplicate records using FVRS transactions after migration was completed. The Department indicated that there were approximately 30,000 duplicate records identified prior to implementation. However, the Department had not determined whether these 30,000 records had been resolved by the counties. The Department had not yet implemented a systematic process to periodically scan for and identify duplicate registrations. Instead, manual checks were made by the Supervisors of Elections or the Department, for new or updated registrations received, at the time of initial entry into FVRS to help ensure that no new duplicate records were created. Department staff, on May 24, 2006, subsequent to our audit field work, indicated that a systematic matching process had been put into place. In addition, prior to the implementation of statutory changes in 1999,²⁴ the uniform voter registration application did not require applicants to supply the last four digits of their social security number and either a Florida driver's license number or Florida ID card number. Therefore, records for applicable voters in FVRS whose voter registration pre-dated these added requirements did not have any of these unique identification numbers associated with their record which would otherwise allow for more accurate matching of duplicate registrations and comparison of data in determination of ineligibility. The Department

indicated that it initiated a process for populating the blank fields with unique identifiers (i.e., Florida driver's license numbers or Florida ID card numbers) when available for applicable registered voters, from records provided by the Department of Highway Safety and Motor Vehicles (DHSMV).

- Although the Department had a systematic process in place for identifying potential felon matches within FVRS, it had not completed a comprehensive check of all felony convictions against all voters. As noted in the previous bullet, the FVRS database was populated from data in the individual county voter registration databases. FVRS, implemented in January 2006, is the successor to the Central Voter Database (CVDB) that was established in 2001. CVDB was designed as a tool to assist the Supervisors of Elections with their responsibility to perform final voter eligibility determinations. CVDB was to perform initial voter eligibility determinations to identify duplicate registrations, as well as voters who were deceased, convicted of a felony and had not had their voting rights restored, or adjudicated mentally incompetent and had not had their voting rights restored. The activation of the felon-matching component of CVDB was delayed until May 7, 2004, and was deactivated on July 10, 2004, upon the discovery of its inability to match felons to registered voters of Hispanic origin. FVRS was similar to CVDB in that it was also populated with voter data received from each of the 67 county voter registration databases. However, unlike CVDB, FVRS was designated by Florida law as the official list of registered voters in the State. Additionally, the identification of potential felon-registered voter matches under FVRS was distinct from the automated process implemented under CVDB. Initial potential matches from FVRS underwent comprehensive staff review and evaluation.

The Department's systematic process to identify potential felons consisted of preliminary assessments conducted by FDLE of voters who may have been convicted of a felony based on voter registration records provided to FDLE by the Department. Each new voter registration application and any updates to existing registration records which occurred after January 1, 2006, were submitted to FDLE for evaluation. The Department also provided FDLE with all active and inactive voter registrations maintained by FVRS on a monthly basis. These records were compared to felony convictions reported in the

²⁴ Section 97.052 (2), Florida Statutes.

preceding month. The purpose of this comparison was to identify any existing registered voter who may be matched with a new or recent felony conviction. Any matches were forwarded to the Department for further staff evaluation and verification by BVRS. The Department plans to assess all existing registrations against all felony convictions. This process will begin with the most recent registrations and incrementally expand to include older registrations as Department resources and workload permit.

- Verification and validation of voter information relies on information received from the external agencies, including the Florida Department of Health (Office of Vital Statistics), Clerks of the Circuit Court, United States Attorney's Office, FDLE, Board of Executive Clemency, Florida Department of Corrections, and DHSMV. Following input of a completed voter registration application into FVRS by an election official and verification of an applicant's Florida driver's license number, Florida ID card number, or the last four digits of the social security number through DHSMV and the Social Security Administration, the applicant was registered and eligible to vote. After this registration process takes place, automated matches of potential ineligibility based on death, adjudication of mental incapacity, or felony conviction were generated by daily comparisons of data from the external agency databases and voter registration information in FVRS. BVRS was responsible for manually evaluating those automated matches of potential ineligibility for credibility and reliability. Following match resolution by BVRS, only those matches determined to be credible and reliable were sent in the form of case files to the Supervisors of Elections for review.

The Department indicated that there had been instances where data supplied by other agencies was not accurate or timely. For example, the Department indicated that records which were supplied by the Office of Vital Statistics for the purposes of matching for deceased voters have, at times, contained inaccurate social security numbers. In response, the Department had put in place manual procedures to help mitigate this known data problem. Additionally, the Department indicated that data received from the Office of Vital Statistics, though received regularly, may lag as much as two to three months.

- Pursuant to Florida law,²⁵ the Department maintains oversight of registration records maintenance activities conducted by the Supervisors of Elections through certification. Each Supervisor of Elections is required to certify, no later than July 31 and January 31 of each year, to the Department activities conducted, during the first and second six months of the year, respectively, regarding procedures for removal of voters determined as ineligible. Should the Department determine that a Supervisor of Elections has not satisfied these requirements, it will be necessary for the Department to satisfy the requirements. Although the first certification is not due from the counties until July 2006, the Department had not formalized a process by which to determine whether Supervisors of Elections have satisfactorily met these statutory requirements.

The issues noted above may increase the risk that ineligible and duplicate voter registrations exist in FVRS, putting at risk the integrity and accuracy of the voter registration list.

Recommendation: The Department should implement FVRS matching functionality, as planned, to allow for systematic identification of possible duplicate voters. In addition, the Department should expand, as planned, current systematic felon matching to include matching of all existing registrations against all felony records. The Department should also implement a formalized process to determine if Supervisors of Elections have satisfactorily met certification requirements prescribed by Florida Statutes. Further, the Department should continue to work with agencies that supply the Department with data for matching and verification purposes to increase data reliability, integrity, and timeliness.

²⁵ Section 98.075(8), Florida Statutes.

OBJECTIVES, SCOPE, AND METHODOLOGY

This operational audit focused on the Department's administration of the Federal Help America Vote Act of 2002. In addition, we evaluated selected controls related to the Florida Voter Registration System. Our objectives were to:

- Evaluate the effectiveness of related controls.
- Evaluate the extent to which the Department has complied with selected controlling laws, administrative rules, and other guidelines.

In conducting our audit, we interviewed Department personnel, observed selected operations, tested selected Department records, and completed various analyses and other procedures. Our audit included examinations of various documents (as well as events and conditions) applicable to the period July 1, 2004, through February 28, 2006, and selected actions taken through May 23, 2006.

AUTHORITY

Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.

William O. Monroe

William O. Monroe, CPA
Auditor General

MANAGEMENT RESPONSE

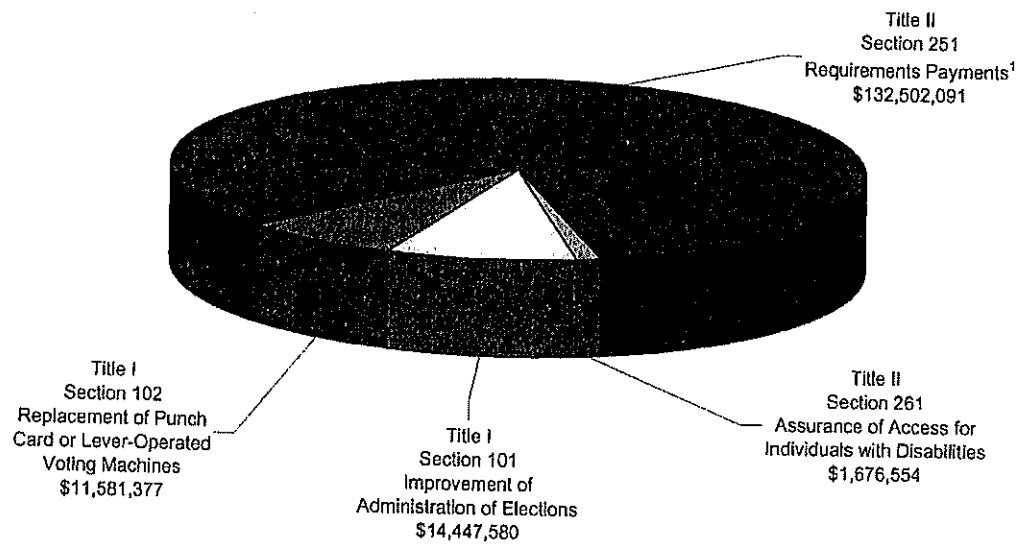
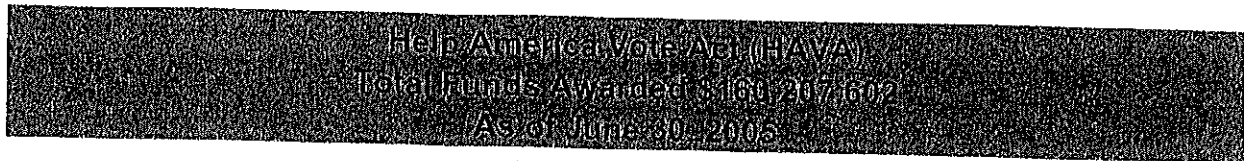
In a response letter dated June 15, 2006, the Secretary of State generally concurred with our audit findings and recommendations. The Secretary's response is included in its entirety at the end of this report as Appendix D.

To promote accountability in government and improvement in government operations, the Auditor General makes operational audits of selected programs, activities, and functions of State agencies. This operational audit was made in accordance with applicable *Government Auditing Standards* issued by the Comptroller General of the United States. This audit was conducted by Debra Clark, CPA, and supervised by Frank Becton, CPA. Please address inquiries regarding this report to Dorothy R. Gilbert, CPA, Audit Manager, via e-mail at dorothygilbert@aud.state.fl.us or by telephone at (850) 488-5444. The information technology resources portion of this audit was conducted by Vikki Mathews and supervised by Nancy Reeder, CPA*, CISA. Please address inquiries regarding the information technology resources portion of this report to Jonathan B. Ingram, CPA*, CISA, Audit Manager, via e-mail at [jon Ingram@aud.state.fl.us](mailto:joningram@aud.state.fl.us) or by telephone at (850) 487-9330.

This report and other audit reports prepared by the Auditor General can be obtained on our Web site (<http://www.state.fl.us/audgen>), by telephone (850) 487-9024, or by mail (G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450).

* Regulated by the State of Florida.

Appendix A



Note 1: Includes Title III activities (e.g., Sections 301-Voting System Standards, 302-Provisional Voting and Voting Information Requirements, 303-Statewide Voter Registration List, etc.).

Source: Federal award documents and the Department's budget and accounting records.

Appendix B

Help America Vote Act (HAVA)
Funds Received, Amount Spent or Obligated, and Available Balances
As of February 28, 2006

	HAVA Funds	Funds Received	Amount Spent or Obligated	Available Balances
Title I				
Section 101	Payments to States for Activities to Improve Administration of Elections	\$ 14,447,580	\$ 10,503,629	\$ 3,943,951
Section 102	Replacement of Punch Card or Lever-Operated Voting Machines	11,581,377	11,581,377	-
Title III				
Section 251	Requirements Payments ¹	132,502,091	38,305,925	94,196,166
Section 261	Payments to States and Units of Local Government to Assure Access for Individuals with Disabilities	157,336	157,336	-
	Totals	\$ 158,688,384	\$ 60,548,267	\$ 98,140,117

Note 1: Includes Title III activities (e.g., Sections 301-Voting System Standards, 302-Provisional Voting and Voting Information Requirements, 303-Statewide Voter Registration List, etc.).

Source: Department's budget and accounting records.

Appendix C

Listing of 13 Primary Elements Included in the State of Florida Help America Vote Act (HAVA) Plan

- Element 1 How the State will use the requirements payment to meet the requirements of Title III and, if applicable under Section 251(a)(2), HAVA, to carry out other activities to improve the administration of elections.
- Element 2 How the State will distribute and monitor the distribution of the requirements payment to units of local government or other entities in the State for carrying out the activities described in Element 1, including a description of:
 - A) The criteria to be used to determine the eligibility of such units or entities for receiving the payment; and
 - B) The methods to be used by the State to monitor the performance of the units or entities to whom the payment is distributed, consistent with the performance goals and measures adopted in Element 8.
- Element 3 How the State will provide for programs for voter education, election official education and training, and poll worker training which will assist the State in meeting the requirements of Title III, HAVA.
- Element 4 How the State will adopt voting system guidelines and processes which are consistent with the requirements of Section 301, HAVA.
- Element 5 How the State will establish a fund described in Section 254(b), HAVA, for purposes of administering the State's activities under this part, including information on fund management.
- Element 6 The State's proposed budget for activities under this part, based on the State's best estimates of the costs of such activities and the amount of funds to be made available, including specific information on:
 - A) The costs of the activities required to be carried out to meet the requirements of Title III, HAVA;
 - B) The portion of the requirements payment which will be used to carry out activities to meet such requirements; and
 - C) The portion of the requirements payment which will be used to carry out other activities.
- Element 7 How the State, in using the requirements payment, will maintain the expenditures of the State for activities funded by the payment at a level that is not less than the level of such expenditures maintained by the State for the fiscal year ending prior to November 2000.
- Element 8 How the State will adopt performance goals and measures that will be used by the State to determine its success and the success of units of local government in the State in carrying out the plan, including timetables for meeting each of the elements of the plan, descriptions of the criteria the State will use to measure performance and the process used to develop such criteria, and a description of which official is to be held responsible for ensuring that each performance goal is met.
- Element 9 A description of the uniform, nondiscriminatory State-based administrative complaint procedures in effect under Section 402, HAVA.
- Element 10 If the State received any payment under Title I, a description of how such payment will affect the activities proposed to be carried out under the plan, including the amount of funds available for such activities.
- Element 11 How the State will conduct ongoing management of the plan, except that the State may not make any material change in the administration of the plan unless the change:
 - A) Is developed and published in the Federal Register in accordance with Section 256, HAVA, in the same manner as the State plan;
 - B) Is subject to public notice and comment in accordance with Section 256, HAVA, in the same manner as the State plan; and
 - C) Takes effect only after the expiration of the 30-day period which begins on the date the change is published in the Federal Register in accordance with subparagraph (A).
- Element 12 In the case of a State with a State plan in effect under this subtitle during the previous fiscal year, a description of how the plan reflects changes from the State plan for the previous fiscal year and of how the State succeeded in carrying out the State plan for such previous fiscal year.
- Element 13 A description of the committee which participated in the development of the State plan in accordance with Section 255, HAVA, and the procedures followed by the committee under such Section and Section 256, HAVA.

Source: State of Florida HAVA Plan.

Appendix D

Management Response

STATE OF FLORIDA
DEPARTMENT OF STATEJEB BUSH
*Governor*SUE M. COBB
Secretary of State

June 15, 2006

Mr. William O. Monroe, CPA
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Monroe:

Please find enclosed the Department of State's response to the Auditor General's May 30, 2006, Preliminary and Tentative Audit Findings on the Help America Vote Act (HAVA) and the Florida Voter Registration System (FVRS).

First I would like to thank you and your staff for the extraordinary effort that you have made to accommodate our request for this review of Florida's compliance with HAVA and the new FVRS. Despite a short timeframe and a very busy schedule, your team headed by Dorothy Gilbert, was courteous and thorough in their approach and handling of this assignment.

Over the course of the last two years the Department has been focused on meeting the January 2006 deadline imposed on all 50 states by HAVA. This effort has allowed little opportunity for the Department's staff to become familiar with all the nuances of a large Federal grant program. Your staff's expertise has afforded us the advantage of addressing these salient issues early in the life of this program and has allowed us to make the necessary adjustments to ensure our compliance with HAVA.

Please contact me at 245-6500 if you need further information or have additional questions.

Sincerely,

Sue M. Cobb

Sue M. Cobb, Secretary of State

Enclosure

Cc: David E. Mann, Assistant Secretary of State
Heidi Hughes, Chief of Staff/General Counsel
Kirby J. Mole, Inspector General
Dawn K. Roberts, Director, Division of ElectionsR. A. Gray Building • 500 South Bronough Street • Tallahassee, Florida 32399-0250
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Appendix D

Management Response

Florida Department of State
Response to Preliminary and Tentative Audit Findings
Help America Vote Act (HAVA) and Florida Voter Registration System (FVRS)
June 15, 2006

HELP AMERICA VOTE ACT

Finding No. 1: The Department did not have a procedure in place to evidence for the public record that voting systems being certified had met the requirements of Florida law.

Response: The Department agrees that the draft checklist should be completed and incorporated into the certification process to provide a visual aid to indicate compliance to the statutory elements. The checklist will be finalized and will be used in future certification tests.

Finding No. 2: The Department's established procedures did not prohibit the Secretary of State and any examiners from having a pecuniary (financial) interest in the examination of and approval of voting equipment.

Response: The Department will implement procedures to require that the Secretary of State and all persons employed by the Department who examine voting systems for compliance with the requirements of Section 101.5605, Florida Statutes, periodically certify in writing that they have no pecuniary interest in any voting equipment.

Finding No. 3: The Department did not maintain a current, reliable control listing of voting systems certified and in use by the counties. In addition, the Department did not have a procedure in place to ensure that voting system information was on file with the Department.

Response: The Division of Elections website containing the list of certified voting systems by county is updated based upon receipt of objective evidence (i.e., acquisition report) provided by the county Supervisor of Elections. The Division has attempted during the last two years to bring this list up to date. In the first attempt, the poor response from the counties forced the Division to contact the vendors in order to update this list. The second attempt during the past nine months has also not produced up to date information, despite an attempt by the Division to create a simple checklist to facilitate the filing of the acquisition reports.

The Department agrees that updated information from the counties is essential in determining whether the voting systems used by the counties meet the requirements of law. The Department will institute a process by which to periodically confirm with the Supervisor of Elections that the information they have filed with the Department is accurate and to confirm that all information required by law is on file with the Department.

Finding No. 4: The Department incorrectly calculated the required maintenance of effort that was included in the State of Florida HAVA Plan and also did not maintain the required level of expenditures for the 2004-05 fiscal year.

Response: The Department will update the State of Florida HAVA plan to reflect the revised required Maintenance of Effort (MOE) amounts. In addition, the Department will continue to review state expenditures in future years to ensure that the MOE threshold is exceeded. In future years, the level of state effort should exceed the required threshold, compensating for the \$7,630 MOE shortfall for the 2004-05 fiscal year.

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Florida Department of State
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Help America Vote Act (HAVA) and Florida Voter Registration System (FVRS)
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Finding No. 5: Salary certifications required for employees who worked solely on the HAVA Program were not maintained. Also, personnel activity reports were not always maintained to support personnel costs charged to the HAVA Program.

Response: As indicated in the audit findings, the Department has begun a procedure for obtaining time certifications from employees in HAVA-funded positions. These certifications will be obtained on a semi-annual basis. If the Department becomes aware that any employee has worked on activities not related to the HAVA program, the costs associated with those other activities will be reimbursed to the HAVA program.

Finding No. 6: Contrary to Federal cost principles, payment for unused leave to a terminating employee was charged as a direct cost to the Program instead of being allocated as a general administrative expense to all activities of the governmental unit.

Response: The Department will seek further guidance from the cognizant Federal agency (the Elections Assistance Commission) on the proper disposition of unused leave payments. It should be noted that the proper disposition of unused leave payments may be impractical across agency lines, and sufficient resources may not be available in the Department's budgeted general administrative expense of the governmental unit. The Department will make every effort to distribute the salary expenditure appropriately, however availability of general revenue funds may require that the Department use specific program funds to comply with Federal cost principles.

Finding No. 7: Controls to ensure that voter education programs were in compliance with Florida law and Department rule were insufficient.

Response: It is the Department's understanding that HAVA funds paid to counties under the voter education program are not required to be expended for all elements shown in the Department's rule applicable to minimum standards for voter education. For many counties, especially the smaller rural counties, the amount of HAVA funds received for voter education programs is insufficient to cover the full costs of all elements in the rule. In these instances, counties must provide the additional funds needed to implement all voter education activities listed in the rule. Therefore, the Department has not required counties to include each element in the rule in their voter education plans. They have been required to include only the voter education activities that will be paid for with HAVA funds. However, the Department does recognize that counties are required to implement all of the elements of the rule and will monitor each county's activities as shown in their voter education reports following each general election to make sure that the required elements are completed.

In the future, the Department will closely monitor the counties' annual expenditure reports to ensure that the counties expend HAVA funds in accordance with approved plans and will require reimbursement for all expenditures not approved. Also, the Department will ensure that counties report the expenditures made with HAVA funds separately from expenditures made with county funds. Finally, the Department will make changes to its Memorandum of Agreement with the counties to implement these requirements.

Finding No. 8: HAVA Program expenditures were not always properly supported.

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Management Response

Florida Department of State

Response to Preliminary and Tentative Audit Findings

Help America Vote Act (HAVA) and Florida Voter Registration System (FVRS)

June 15, 2006

Response: The designated contract manager will review and certify that the request for payment is properly supported and contract requirements, milestones, and deliverables have been met prior to submitting the request to Budget and Financial Services. The accounts payable supervisor in Budget and Financial Services will verify the contract manager has certified that the request for payment is properly supported and the required milestones or deliverables have been met prior to issuing the payment.

Finding No. 9: The Department did not always follow Federal requirements with regards to awards to other State agencies.

Response: The Department will ensure that interagency agreements with state agencies utilizing HAVA funds include all of the information required by Federal standards. In addition, the Department will obtain the appropriate documentation to evidence the expenditures of HAVA funds by the other State agencies.

FLORIDA VOTER REGISTRATION SYSTEM (FVRS)

Finding No. 10: Improvements were needed in the Department's Information Technology (IT) risk management practices.

Response: Upon completion of the FVRS Risk Assessment the Department plans to implement policies and procedures to mitigate identified risks. Access to Department systems will be documented according to policy and maintained in a central location at the Central Computing Facility (CCF). Periodic reviews will be performed.

Finding No. 11: The Department had not adopted a governance model addressing the management, use, and operation of FVRS commensurate with its authority and responsibility to ensure the system's security, uniformity, and integrity.

Response: The Department plans to continue to work with the Supervisors of Elections in the development of a governance model. The Department Information Security Manager plans to continue to develop the System Security Plan (SSP) and formal training program. System log retention and review will be included in the SSP. Written system configuration and management guidelines will be developed and provided to the counties. The Department will continue to incorporate the FVRS into the Information Technology Disaster Response Plan and develop a statewide regional response COOP plan.

The Department will designate all employees within the Bureau of Voter Registration Services as positions of special trust and will take the necessary steps to insure that this issue is addressed appropriately.

Finding No. 12: Although the Department had put measures in place to help ensure the integrity of data in FVRS, improvements were needed in the processes for identifying duplicate registrations and ineligible voters.

Response: On May 1, 2006, the Department implemented a duplicate matching process to identify names of voters who appear more than one time on the FVRS. The first matching process identified all existing voters who appeared to be duplicates. This match produced 80,151 potential duplicates which were sent to the counties for evaluation. The duplicate matching process is now ongoing on a continual basis and

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Response to Preliminary and Tentative Audit Findings
Help America Vote Act (HAVA) and Florida Voter Registration System (FVRS)
June 15, 2006

each time a new applicant is entered into the FVRS, a search is made to the existing voters to determine if the new applicant appears to be a duplicate.

The Department plans to expand the systematic felon matching of all existing registrations against all felony records as time and resources allow. The Department continues to coordinate with other agencies who are providing data for matching and verification purposes to increase the reliability and timeliness of the information. The Department also plans to develop a formal process to determine whether Supervisors of Elections have met record maintenance activities. The first certification is due to the Department by the Supervisors of Elections on July 31, 2006.

Final Audit Resolution Report

Florida Single Audit – Assignment No. E-SA-FL-11-06

Attachment 2



**STATE OF FLORIDA
DEPARTMENT OF STATE**

JEB BUSH
Governor

SUE M. COBB
Secretary of State

December 13, 2006

Sue M. Cobb, Secretary of State
Florida Department of State
R.A. Gray Building
500 South Bronough Street
Tallahassee, FL 32399-0250

Re: Follow-Up Review Applicable to Auditor General Report #2006-194, *Help America Vote Act (HAVA)* and the *Florida Voter Registration System (FVRS)* – Operational..

Dear Secretary Cobb:

Pursuant to Section 20.055(5)(g), Florida Statutes, the Office of Inspector General (OIG) conducted a follow-up review applicable to the Auditor General's Report as referenced above. We have attached a copy of our report for your review.

As required by law, we have published our report on the status of the corrective actions taken by the Department and filed a copy of such response with the Legislative Auditing Committee.

If you require additional information on this matter please contact me.

Sincerely,

Kirby J. Mole, CIA
Inspector General

Att.

cc. Mr. Terry L. Shoffstall, Director, Legislative Auditing Committee
Thomas Wilkey, Executive Director, U.S. Election Assistance Commission
Derry Harper, Chief Inspector General, Executive Office of the Governor
David E. Mann, Assistant Secretary of State
Heidi Hughes, Chief of Staff/General Counsel
Dawn Roberts, Director, Division of Elections
Sarah Smith, Chief Information Officer

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Office of Inspector General
Follow-Up Review to Auditor General Report Number 2006-194
Help America Vote Act (HAVA) and the
Florida Voter Registration System (FVRS) - Operational

December 13, 2006

The purpose of this follow up review is to report on the current status of corrective actions taken by the Department of State (Department) in response to the recommendations made by the Auditor General. The Auditor General's operational audit focused on the Department's administration of the Federal Help America Vote Act of 2002 during the period July 1, 2004, through February 28, 2006, and selected actions taken through May 23, 2006. Also, the audit included an evaluation of the effectiveness of selected controls related to the Florida Voter Registration System.

Auditor General's Finding No. 1 The Department did not have a procedure in place to evidence for the public record that voting systems being certified had met the requirements of Florida law.

Auditor General's Recommendation We recommend that the Department finalize the *Checklist* and utilize it to document for the public record that its voting system certification procedures meet the requirements of Florida law.

Department's Statement of Corrective Action(s) Implemented The Bureau of Voting Systems Certification has finalized a test record checklist that includes an indication of compliance to the voting system's relevant statutory requirements. The final version of the test record checklist will be used for future certification efforts until the effective date of the 2007 revision to the Florida Voting System Standards. At that time, this checklist will be integrated into a larger certification test record that will track all the requirements of the 2007 Florida Voting System Standards.

Status of Corrective Actions The Department's Bureau of Voting Systems Certification has finalized the *Florida Voting Systems Certification Checklist & Test Record* and is utilizing it to evidence that voting systems certified by the Bureau met Florida Law.

Auditor General's Finding No. 2 The Department's established procedures did not prohibit the Secretary of State and any examiners from having a pecuniary (financial) interest in the examination of and approval of voting equipment.

Auditor General's Recommendation We recommend that the Department establish procedures requiring the periodic affirmation of the absence of pecuniary and other conflicts of interests.

Department's Statement of Corrective Action(s) Implemented The Department has included a section in the Employee Handbook regarding 'Special Disclosure Requirements for Certain Employees in the Division of Elections, Bureau of Voting Systems Certification' concerning this

issue. Pursuant to the section, employees in the Bureau of Voting Systems Certification are required to certify in writing that they do not have a pecuniary interest in any voting equipment.

The Department has developed a certification statement that employees who are involved in examining voting systems equipment for certification are required to sign. The certification statements are maintained in the Division of Elections.

Status of Corrective Actions The Department added a section to its Employee Handbook that prohibits the Secretary of State or any person who examines voting equipment for compliance with Section 101.5606, Florida Statutes, from having a pecuniary interest in such equipment. Also, certified statements applicable to pecuniary interests from the Secretary of State and employees of the Bureau of Voting Systems Certification were reviewed and are on file in the Division of Elections.

Auditor General's Finding No. 3 The Department did not maintain a current, reliable control listing of voting systems certified and in use by the counties. In addition, the Department did not have a procedure in place to ensure that voting system information was on file with the Department.

Auditor General's Recommendation We recommend that the Department develop a current, reliable control listing; establish procedures to ensure that Supervisors of Elections submit all voting system information required by State law [Section 101.5607(1)(a), Florida Statutes]; and periodically confirm the accuracy of its listing with the Supervisors of Elections. Such confirmations should be made in connection with the Department's periodic reconciliation of its control listing to the voting systems information provided and on file at the Department.

Department's Statement of Corrective Action(s) Implemented The Bureau of Voting Systems Certification examined the voting system acquisition records for all 67 Florida counties. The Bureau identified the county records that were incomplete and/or obsolete.

In addition, the Bureau initiated an effort to actively pursue obtaining each county's current system acquisition information on a periodic basis. As each county's record became complete relative to the requirements of Section 101.5607(1)(a), Florida Statutes, the Bureau updated the voting system database to reflect this information. The information contained in this database is correct for all 67 counties and is available for public examination on the Division of Elections' website.

During this process, the Bureau created a work instruction to serve as guidance for ascertaining each county's current acquisition status, maintaining this information, and updating the relevant database. The work instruction is still under development.

Status of Corrective Actions The Bureau of Voting Systems Certification updated its information and created a control list of voting systems for all 67 counties. Also, the Bureau is drafting working instructions to specific procedures necessary to maintain an accurate and current voting system control list to be completed in the first quarter of 2007.

Auditor General's Finding No. 4 The Department incorrectly calculated the required maintenance of effort that was included in the State of Florida HAVA Plan and also did not maintain the required level of expenditures for the 2004-05 fiscal year.

Auditor General's Recommendation The Department should update the State of Florida HAVA Plan to reflect the revised required MOE amount and ensure that the required MOE level is met each fiscal year in accordance with HAVA requirements.

Department's Statement of Corrective Action(s) Implemented The HAVA State Planning Committee held two meetings on September 21, 2006 and October 12, 2006 in order to revise the HAVA State Plan. The updated plan includes the revised maintenance of effort level that the state must maintain as required by HAVA. In addition, the Department conducted a review of FY 2005-06 expenditures and initial calculations indicate that expenditures exceeded the MOE threshold.

Status of Corrective Actions The Department has drafted an update to the State of Florida HAVA Plan which includes a section on maintenance of effort. The Department stated that the plan is required to be posted in the Federal Register for 30 days for public comments and anticipates completion in approximately two months.

Auditor General's Finding No. 5 Salary certifications required for employees who worked solely on the HAVA Program were not maintained. Also, personnel activity reports were not always maintained to support personnel costs charged to the HAVA Program.

Auditor General's Recommendation We recommend that the Department's procedures ensure that required documentation supporting charges to the HAVA Program (including certifications and personnel activity reports) is properly and timely prepared and maintained. For any costs improperly charged to the HAVA Program, appropriate corrections should be made.

Department's Statement of Corrective Action(s) Implemented Salary Certification statements are obtained every six months from all employees filling a HAVA-funded position. The certifications are maintained in the Division of Elections.

Status of Corrective Actions The Division of Elections implemented a control procedure to ensure that all HAVA-funded employees signed salary certification forms.

Auditor General's Finding No. 6 Contrary to Federal cost principles, payment for unused leave to a terminating employee was charged as a direct cost to the Program instead of being allocated as a general administrative expense to all activities of the governmental unit.

Auditor General's Recommendation We recommend that the Department, in compliance with Federal cost principles, allocate as a general administrative expense unused leave payments. We also recommend that, for any costs improperly charged to the HAVA Program, appropriate corrections be made.

Department's Statement of Corrective Action(s) Implemented The Department submitted a request for guidance to the U. S. Election Assistance Commission (EAC) regarding leave

payments to terminating employees. Pending receipt of a response from the EAC, all payments for unused leave to employees who have terminated from state government have been transferred from the Grants and Donations Trust Fund to General Revenue.

Status of Corrective Actions The Department has requested but not received guidance from the U.S. Election Assistance Commission. All payments made by the Department for leave due terminated employees were transferred to the General Revenue Fund.

Auditor General's Finding No. 7 Controls to ensure that voter education programs were in compliance with Florida law and Department rule were insufficient.

Auditor General's Recommendation We recommend that the Department ensure that all Plans are in compliance with Department rules and *Agreements* and that voter education expenditures correspond with detailed descriptions in the Plans. In addition, we recommend the Department ensure that the matching expenditures are reported separately on the expenditure report.

Department's Statement of Corrective Action(s) Implemented The Department is preparing a survey regarding voter education activities that will be sent to all Supervisors of Elections following the 2006 general election. Information from the survey will be used to determine each county's compliance with elements listed in the Department's rule on minimum standards for voter education. The survey is organized so that counties will report voter education expenditures made with HAVA/state funds separately from expenditures made with county funds. As required by Section 98.255, Florida Statutes, the Department will prepare a report that will be available by January 31, 2007, regarding the voter education programs and activities conducted by Supervisors of Elections during the 2006 general election period.

The Department has revised the language in its memorandum of agreement with Supervisors of Elections in order to implement changes regarding voter education plans and reporting requirements.

Status of Corrective Actions The Department prepared a survey to obtain information from Supervisors of Elections applicable to voter educational activities and compliance with specific laws, rules, and agreements. The Department intends to compare the survey's information with the Supervisor's approved voter educational plans as part of its compliance monitoring procedures. Also, the Department will use the surveys to obtain the amount of expenditures made from county match and HAVA funds. On November 14, 2006, the Department sent the Supervisors of Elections a new memorandum of agreement that included these new survey procedures. On November 21, 2006, the Department sent the survey to the Supervisors of Elections.

Auditor General's Finding No. 8 HAVA Program expenditures were not always properly supported.

Auditor General's Recommendation We recommend that the Department ensure that required contractual terms are met and services are received prior to payment. In addition, we recommend that the Department only pay contractors in amounts agreed upon by specific contract or purchase order.

Department's Statement of Corrective Action(s) Implemented Employees in the Office of Support Services will, upon receipt of a payment request or invoice, contact the contract manager if required documentation has not been received. Invoices will not be processed for payment until the contract manager certifies to Support Services that the deliverables have been met.

Working with the Office of Support Services, the accounts payable supervisor in the Budget and Financial Services Program checks for a certification that the required milestones and deliverables have been met. A payment will not be vouchered if the required certification is not included.

Status of Corrective Actions The Department has implemented the process as stated above to ensure receipt of deliverables and payment authorization.

Auditor General's Finding No. 9 The Department did not always follow Federal requirements with regards to awards to other State agencies.

Auditor General's Recommendation We recommend that the Department take the necessary steps to ensure that the interagency agreements include all applicable Federal information and requirements and that appropriate monitoring is performed.

Department's Statement of Corrective Action(s) Implemented All interagency agreements entered into or renewed after July 1, 2006, between the Department of State and governmental agencies such as the Florida Department of Highway Safety and Motor Vehicles or the Florida Department of Law Enforcement as they pertain to HAVA funds for election administration and/or voting purposes shall:

- Include standard provisions relating to federal and state audit, monitoring and reporting requirements.
- Identify, for audit purposes, the title and number of the appropriate type of federal assistance program (known as the Catalog of Federal Domestic Assistance) from which the funds are being made available.
- Condition the receipt and use of HAVA funds on the submission, review, and approval of specified written certifications and plans for use of these funds or the inclusion of comprehensive written specifications or terms in return for receipt and use of the funds, whichever is applicable.
- Require the recipient of HAVA funds to report to the Department of State any change or deviation from any plan originally submitted for review and approval for receipt and use of such funds, or to require the mutual written agreement to modify any material change to written specifications or terms in the agreement.
- Require any governmental official or entity to receive federal HAVA funds to complete federal ED Form GCS-009, 6/88, "Certification Regarding Debarment, Suspension,

Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions” (created pursuant to Executive Order 12549 (46CFR 1183.35). Such form must be completed and submitted prior to the Department entering into or renewing any agreement.

Existing interagency agreements with Florida Department of Law Enforcement and Florida Department of Highway Safety and Motor Vehicles are currently under review and will be revised to include the above-referenced provisions since the Department’s and these agencies’ focus on Florida Voter Registration System has now evolved from development and implementation to operation and maintenance of the system.

Status of Corrective Actions As of this report date, the Department has not entered into any new agreements with the Florida Department of Law Enforcement or the Department of Highway Safety and Motor Vehicles. The Department is in the process of reviewing current agreements for appropriate revisions.

Auditor General’s Finding No. 10 Improvements were needed in the Department’s Information Technology (IT) risk management practices.

Auditor General’s Recommendation Upon completion of the FVRS risk assessment, the Department should implement policies and procedures to mitigate identified risks, including ensuring that all access to Department systems is documented in a uniform manner according to policy, maintained in a central location, and periodically reviewed.

Department’s Statement of Corrective Action(s) Implemented A baseline Risk Assessment was completed on the FVRS in June 2006. A corrective action plan has been established and is in the execution phase. Additionally, a Department employee has been reassigned to the position of Information Security Administrator and Network Administrator.

IT Security Policies have been updated at the department level and authorization procedures have been updated.

Status of Corrective Actions On July 5, 2006, the Department received its final risk assessment report prepared by an independent contractor. Based upon this risk assessment the Department and the State Information Security Office prepared a corrective action plan. As of this date, the Department completed and continues to implement corrective actions identified in the plan. Also, the Department reassigned an employee to the position of Information Security Administrator and Network Administrator in order to enhance improvements needed in the Department’s information risk management practices as identified by the Auditor General. Finally, the Department prepared the FVRS Information Security Plan which is pending final approval from the Department’s senior management.

Auditor General’s Finding No. 11 The Department had not adopted a governance model addressing the management, use, and operation of FVRS commensurate with its authority and responsibility to ensure the system’s security, uniformity, and integrity.

Auditor General's Recommendation The Department should, in coordination with the county Supervisors of Elections, adopt a governance model that includes security measures in support of, and for the protection of, the FVRS business purpose and the confidentiality, availability, and integrity of data contained therein. Specifically, written procedures should be established to address those areas noted above with consistent application to ensure the system's security, uniformity, and integrity.

Department's Statement of Corrective Action(s) Implemented The Department has created a System Security Plan (SSP). In addition, a memorandum of understanding regarding information security issues has been executed with each Supervisor of Elections.

The Division of Elections Continuity of Operations Plan is in the final stages of development and includes a regional response plan involving all Supervisors of Elections.

User audit capabilities have been improved and development in this area continues.

Each employee with access to FVRS or access to data of confidentiality has signed a strict standard of conduct regarding the protection and security of that data. The Department is reviewing the duties of positions with access to FVRS to determine which of these positions should be classified as positions of special trust.

Status of Corrective Actions The Department created a System Security Plan and executed, with each Supervisor of Elections, a *Memorandum of Agreement For Minimum Security Standards For The Florida Voter Registration System*. The Department is finalizing the *Division of Elections Continuity of Operations (COOP) Plan*, including a *Regional Response Plan* for all Supervisors of Elections. Also, each Department employee with access to FVRS or confidential data executed an acknowledgment statement titled, *Standards of Conduct Governing Access To The Florida Voter Registration System and Other Agency Records*.

Auditor General's Finding No. 12 Although the Department had put measures in place to help ensure the integrity of data in FVRS, improvements were needed in the processes for identifying duplicate registrations and ineligible voters.

Auditor General's Recommendation The Department should implement FVRS matching functionality, as planned, to allow for systematic identification of possible duplicate voters. In addition, the Department should expand, as planned, current systematic felon matching to include matching of all existing registrations against all felony records. The Department should also implement a formalized process to determine if Supervisors of Elections have satisfactorily met certification requirements prescribed by Florida Statutes. Further, the Department should continue to work with agencies that supply the Department with data for matching and verification purposes to increase data reliability, integrity, and timeliness.

Department's Statement of Corrective Action(s) Implemented FVRS continues to perform a duplicate matching process on a continual basis which to date has identified 86,008 potential duplicates which have been sent to the counties for evaluation. The Division continues to work with the Supervisors of Elections' vendors of local election administration systems to streamline the duplicate matching process recognizing there will be programming adjustments necessary.

The Department developed a form for Supervisors of Elections to report list maintenance activities. Certifications regarding list maintenance activities have been received from all Supervisors of Elections covering activities between January 1, 2006 and June 30, 2006.

Status of Corrective Actions The Department implemented the FVRS matching functionality for systematic identification of possible duplicate voters and continues to work with the Supervisor of Elections to improve the matching process. However, as of this date, the Department has not expanded its current felon matching process to include registered voters prior to January 1, 2006, except for voters that incurred a change in their voter registration after January 1, 2006. The Department has stated its intent to expand its felon matching search based upon resources available. Also, the Department has developed a process to determine and document certification of voter registration activities by the Supervisors of Elections.



FLORIDA DEPARTMENT *of* STATE

Division of Elections

Florida Voting Systems Certification Checklist & Test Record

Ref: Florida Voting System Standards, Form DS-DE 101, Eff. 01/05

Florida Voting Systems Certification Checklist

1.0 Voting System Description:

2.0 Certification Procedures

Application for ☐ Certification or ☐ Provisional Certification Summary of Certification Milestones

	Acceptance or Completion Date	DOE/BVSC Responsibility
<input type="checkbox"/> 2.1 Application (Final, including amended, if applicable)	_____	_____
<input type="checkbox"/> 2.2 Acceptance of the Application (10 workdays)	_____	_____
<i>Note: BVSC's review and applicant's remedies of deficiencies need not be documented here.</i>		
<input type="checkbox"/> 2.3 Examination of the Voting System	_____	_____
2.4 System Qualification Tests, required?	<input type="checkbox"/> Yes (full)	<input type="checkbox"/> Yes (limited) <input type="checkbox"/> No
<input type="checkbox"/> Phase I Test Plan	_____	_____
<input type="checkbox"/> Phase I Qualification Test	_____	_____
<input type="checkbox"/> Phase I Test Report (10 workdays)	_____	_____
<input type="checkbox"/> Phase II Test Plan (10 workdays)	_____	_____
<input type="checkbox"/> Phase II Qualification Test	_____	_____
<input type="checkbox"/> Phase II Test Report (10 workdays)	_____	_____
<input type="checkbox"/> 2.6 Qualification Test Report (10 workdays)	_____	_____
<input type="checkbox"/> 2.7 Issuance of Certificate	_____	_____
<input type="checkbox"/> 2.8 Retention of Materials	_____	_____

3.0 The Standards

3.1 Applicability

- ☐ Rule 1S-5.001, F.A.C.
Florida Voting Systems Standards (FVSS), Form DS-DE-101
- ☐ Federal Election Commission 1990 Voting System Standards (FEC VSS)
- ☐ Federal Election Commission 2002 Voting System Standards (FEC VSS)
- ☐ EAC 2005 Voluntary Voting System Guidelines (EAC VVSG)

3.2 Acceptance of Independent Test Authority (ITA) Reports (10 workdays)

	Date Accepted	DOE/BVSC Reviewer
<input type="checkbox"/> Hardware/firmware qualification review and Test Report(s)	_____	_____

<input type="checkbox"/> Software/firmware source code review and Test Report(s)	_____	_____
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Test Record

3.3.2 Voting Functions

3.3.2.1 Polling Place Verification

Provides a means for verifying:

- ☐ Equipment is installed at the correct polling place
- ☐ Equipment is in its initialized state
- ☐ Equipment is ready for casting of ballots
- ☐ Proper execution is verified by means of an equipment-generated record, retained as part of the audit record

3.3.2.2 Party Selection

- ☐ Allows casting for the party of choice in a primary election and for all non-partisan candidates and measures, while preventing voting for a candidate of another party
- ☐ Provides a means in a general election to select any candidate and to select any measure on the ballot

3.3.2.3 Ballot Sub-setting

- ☐ Provides a means of disabling that portion of a ballot for which the voter is not entitled to vote

3.3.2.4 Enabling the Ballot

- ☐ Provides a means for enabling the recording of votes

3.3.2.5 Candidate and Measure Selection

- ☐ Method of voting complies with the following sections of **101.5606, F.S.**
 - ☐ (1) Permits and requires voting in secrecy.
 - ☐ (2) Permits each elector to vote at any election for all persons and offices for whom and for which the elector is lawfully entitled to vote, and no others; to vote for as many persons for an office as the elector is entitled to vote for; and to vote for or against any question upon which the elector is entitled to vote.
 - ☐ (3) Rejects a ballot where the number of votes for an office or measure exceeds the number which the voter is entitled to cast or where the tabulating equipment reads the ballot as a ballot with no votes cast.
 - ☐ (4) Accepts a rejected ballot pursuant to subsection (3) for a marksense ballot, if a voter chooses to cast the ballot, but records no vote for any office that has been overvoted or undervoted.
 - ☐ (5) Capable of correctly counting votes.

- ☐ (6) Permits each voter at a primary election to vote only for the candidates seeking nomination by the political party in which such voter is registered, for any candidate for nonpartisan office, and for any question upon which the voter is entitled to vote.
- ☐ (7) Permits each elector by one operation, to vote for all presidential electors of a party or for all presidential electors of candidates for President and Vice President with no party affiliation.
- ☐ (8) Provides a method for write-in voting.
- ☐ (9) Capable of accumulating a count of the specific number of ballots tallied for a precinct, accumulating total votes by candidate for each office, and accumulating total votes for and against each question and issue of the ballots tallied for a precinct.
- ☐ (10) Capable of tallying votes from ballots of different political parties from the same precinct, in the case of a primary election.
- ☐ (11) Capable of automatically producing precinct totals in printed, marked, or punched form, or a combination thereof.
- ☐ (12) Permits each voter to change his or her vote for any candidate or upon any question appearing on the official ballot up to the time that the voter takes the final step to register his or her vote and to have the vote computed, if it is of a type which registers votes electronically.
- ☐ (13) Capable of providing records from which the operation of the voting system may be audited.
- ☐ (14) Uses a precinct-count tabulation system.
- ☐ (15) Does not use an apparatus or device for the piercing of ballots by the voter.

3.3.2.6 Standards for Equally Accessible Electronic Voter Interfaces

- ☐ Method of voting complies with the following sections of **101.56062, F.S.**
 - ☐ (1) Has the capability to install accessible voter interface devices in the system configuration which allow the system to meet the following requirements:
 - ☐ (a) Provides a tactile input or audio input device, or both.
 - ☐ (b) Provides a method by which voters can confirm any tactile or audio input by having the capability of audio output using synthetic or recorded human speech that is reasonable phonetically accurate.
 - ☐ (c) Any operable controls on the input device which are needed for voters who are visually impaired must be discernible tactilely without actuating the keys.
 - ☐ (d) Audio and visual access approaches must be able to work both separately and simultaneously.
 - ☐ (e) If a non-audio access approach is provided, the system may not require color perception. The system must use black text or graphics, or both, on white background or white text or graphics, or both, on black background, unless the office of the Secretary of State approves other high-contrast color combinations that do not require color perception.
 - ☐ (f) Any voting system that requires any visual perception must offer the election official who programs the system, prior to its being sent to the polling place, the capability to set the font size, as it appears to the voter, from a minimum of 14 points to a maximum of 24 points.
 - ☐ (g) The voting system must provide audio information, including any audio output using synthetic or recorded human speech or any auditory feedback tones that are important for the use of the audio approach, through at least one mode, handset or headset, in enhanced auditory fashion (increased amplification) and must provide incremental volume control with output amplification up to a level of at least 97 dB SPL.
 - ☐ (h) For transmitted voice signals to the voter, the voting system must provide a gain adjustable up to a minimum of 20 dB with at least one intermediate step of 12 dB of gain.
 - ☐ (i) For the safety of others, if the voting system has the possibility of exceeding 120 dB SPL, then a mechanism must be included to reset the volume automatically to the voting system's default volume level after every use, for example when the handset is

replaced, but not before. Also, universal precautions in the use and sharing of the headsets should be followed.

- ☐ (j) If sound cues and audible information such as "beeps" are used, there must be simultaneous corresponding visual cues and information.
- ☐ (k) Controls and operable mechanisms must be operable with one hand, including operability with a closed fist, and operable without tight grasping, pinching, or twisting of the wrist.
- ☐ (l) The force required to operate or activate the controls must be no greater than 5 pounds of force.
- ☐ (m) Voting booths must have voting controls at a minimum height of 36 inches above the finished floor with a minimum knee clearance of 27 inches high, 30 inches wide, and 19 inches deep, or the accessible voter interface devices must be designed so as to allow their use on top of a table to meet these requirements. Tabletop installations must include adequate privacy.

3.3.2.7 Audio Ballots

Note: The functionalities required for the audio ballot may be satisfied by either the voting device or by the entire voting system.

- ☐ Complies with standards for electronic voter interfaces
- ☐ Controls are discernable tactilely without actuating the controls
- ☐ Provide a voter operated volume control
- ☐ Method of voting complies with the following subsections of **101.56062(1)(n)**, F.S.
 - ☐ (1) After the initial instructions that the system requires election officials to provide to each voter, the voter should be able to independently operate the voter interface through the final step of casting a ballot without assistance.
 - ☐ (2) The voter must be able to determine the races that he or she is allowed to vote in and to determine which candidates are available in each race.
 - ☐ (3) The voter must be able to determine how many candidates may be selected in each race.
 - ☐ (4) The voter must be able to have confidence that the physical or vocal inputs given to the system have selected the candidates that he or she intended to select.
 - ☐ (5) The voter must be able to review the candidate selections that he or she has made.
 - ☐ (6) Prior to the act of casting the ballot, the voter must be able to change any selections previously made and confirm a new selection.
 - ☐ (7) The system must communicate to the voter the fact that the voter has failed to vote in a race or has failed to vote the number of allowable candidates in any race and require the voter to confirm his or her intent to undervote before casting the ballot.
 - ☐ (8) The system must prevent the voter from overvoting any race.
 - ☐ (9) The voter must be able to input a candidate's name in each race that allows a write-in candidate.
 - ☐ (10) The voter must be able to review his or her write-in input to the interface, edit that input, and confirm that the edits meet the voter's intent.
 - ☐ (11) There must be a clear, identifiable action that the voter takes to "cast" the ballot. The system must make clear to the voter how to take this action so that the voter has minimal risk of taking the action accidentally but, when the voter intends to cast the ballot, the action can be easily performed.
 - ☐ (12) Once the ballot is cast, the system must confirm to the voter that the action has occurred and that the voter's process of voting is complete.
 - ☐ (13) Once the ballot is cast, the system must preclude the voter from modifying the ballot cast or voting or casting another ballot.